

**KINNELOA IRRIGATION DISTRICT**  
**REGULAR MEETING – BOARD OF DIRECTORS**  
1999 KINCLAIR DRIVE, PASADENA, CA 91107  
TUESDAY – JUNE 15, 2010  
7:30 P.M.

**AGENDA**

- 1. CALL TO ORDER**
  - A. Declaration of a Quorum
  - B. Review of Agenda
  
- 2. PUBLIC COMMENT**– Comments from the public regarding items on the Agenda or other items within the jurisdiction of the District.
  
- 3. PHYSICAL INVENTORY PROCEDURE**
  
- 4. APPOINTMENT OF BUDGET COMMITTEE**
  
- 5. GENERAL MANAGER’S REPORT**
  
- 6. REVIEW OF MINUTES** – May 18, 2010
  
- 7. REVIEW OF FINANCIAL REPORTS** – May 31, 2010
  
- 8. ITEMS FOR NEXT AGENDA**
  
- 9. CALENDAR** – July 20, 2010  
August 17, 2010  
September 21, 2010
  
- 10. ADJOURNMENT**

Each item on the Agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the Agenda Packet is available for public review at the District Office or online at the District’s website <http://www.kinneloairrigationdistrict.info>.

# General Manager's Report

## June 15, 2010

### I. Capital Improvement and Preventative Maintenance Projects

- A. Brown Reservoir – SCADA battery voltage indicator problem being investigated.
- B. Valve Repair – Replaced broken street valve on Kinneloa Canyon Road at Eucalyptus Reservoir.
- C. Booster Maintenance – Eucalyptus #1 has been removed for overhaul. Expected back later this month.
- D. Equipment Purchase – Generator for the Wilcox Reservoir has been purchased and is expected to be delivered this month. It is a used Caterpillar 225 KW trailer-mounted unit similar in type and age to the one at the Eucalyptus Reservoir.
- E. Vosburg Warehouse – Restocking and organizing is in progress.
- F. SMV/Windover Pipeline – Initial surveying and layout is in progress.
- G. Eye Wash Stations – Installation of remaining stations is in progress.
- H. Doyne Road Tract – Project is on hold. Developer is in Chapter 7 Bankruptcy.

### II. Customer Service Issues

- A. Delinquent Accounts –
  - 21 accounts received 10 day letters
  - 5 accounts received 5 day letters
  - 10 accounts received 24-hour shut off notice
  - 0 accounts were shut off for non-payment and turned back on after payment
  - 1 account remains shut off for non-payment

### III. General Manager's Highlights

- A. Audit – Completed.
- B. Newsletter – Summer newsletter has been completed and will be mailed with bills in July.
- C. Department of Public Health – Annual report has been submitted. Preparation of the Annual Consumer Confidence Report is in progress.
- D. Budget for 2011 – Analysis and setup started.

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
MAY 18, 2010**

**MEMBERS PRESENT:** Directors Barkhurst, Griffith, Kilburn, Pickard and Sorell

**STAFF PRESENT:** Chris Burt, Facilities Supervisor  
Shirley Burt, Administrative Assistant  
Melvin Matthews, General Manager

**CALL TO ORDER:** The Meeting was called to order by the Chair, Director Sorell, at 1933 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

**PUBLIC COMMENT:**

No one from the Public wished to comment at this time.

**ACCEPTANCE OF YEAR 2009 AUDIT:**

The Final Audit was presented with the changes made as indicated at the last meeting.

It was M/S/C – (Barkhurst/Pickard-5/0) – **“That the 2009 Year Audit be accepted as presented.”**

**DISCUSSION OF MEETING MINUTES FORMAT:**

The detail of meeting minutes was discussed and it was unanimously agreed to use the minutes of March 16, 2010 as submitted by the Chair as a model to be used by the minute takers.

**GENERAL MANAGER’S REPORT:**

**UCLA Agreement:**

**Director Sorell** requested Mr. Matthews to discuss the agreement that had been signed with UCLA.

**Mr. Matthews** reported that the agreement involved UCLA placing reflectors at the West Tank site and the Office site in order to monitor air quality. The project is in cooperation with Caltech and will probably last for approximately one month.

**Inventory:**

**Director Barkhurst** questioned whether the Auditor performs a physical inventory examination as part of her scope of work and Mr. Matthews replied she does not. Mr. Matthews explained that he has set up an inventory program in the computer and he does track it.

**Director Barkhurst** questioned whether it might not be appropriate to periodically perform a physical inventory and **Director Sorell** replied that it would be a good idea to review the inventory beginning and ending balance records as a way to determine the usage.

**Director Barkhurst** questioned the amount spent for inventory acquisition last year and Mr. Matthews replied that it was around \$7000.

**Director Sorell** suggested this item be placed on the Agenda for the next meeting.

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
MAY 18, 2010**

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**REVIEW OF MINUTES:**

The minutes of March 16, 2010 were reviewed and approved as presented by Director Sorell. The minutes of April 20, 2010 were reviewed and approved as presented.

**REVIEW OF FINANCIAL REPORTS:**

**Director Barkhurst** reviewed the Financial Reports and noted the following –  
-Water Sales Income was below budget but offset by the sale of water to Pasadena  
-Expenses were \$55,000 under budget for the year  
The Financial Reports were unanimously approved for filing.

**ITEMS FOR NEXT AGENDA:**

Physical Inventory Procedure  
Appointment of Budget Committee

**ADJOURNMENT:**

The meeting was adjourned at 2000 hours and the next meeting will be held on June 15, 2010.

Respectfully submitted,

Shirley Burt,  
Secretary to the Board

**Kinneloa Irrigation District**  
**Income Statement**  
**For the Five Months Ending May 31, 2010**

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
<b>Revenues</b>				
4000 Water Sales	\$ 93,604.22	\$ 107,000.00	\$ 353,537.67	\$ 384,800.00
4015 Wholesale Water Sales	17,035.45	0.00	51,657.98	0.00
4020 Service Charges	602.87	833.33	5,718.98	4,166.65
4025 Asset Sale	0.00	0.00	2,000.00	0.00
4035 Interest-Reserve Fund	309.97	1,166.67	3,687.02	5,833.35
4050 Capacity Charge	0.00	0.00	0.00	3,000.00
<b>Total Revenues</b>	<b>111,552.51</b>	<b>109,000.00</b>	<b>416,601.65</b>	<b>397,800.00</b>
<b>Expenses</b>				
5005 Electricity	8,223.76	9,000.00	31,663.13	31,000.00
5010 Maintenance Supplies	6,483.80	2,000.00	12,964.24	10,000.00
5012 Safety Equipment	44.25	0.00	4,257.04	2,000.00
5015 Maintenance Labor	12,456.54	13,500.00	63,512.85	66,000.00
5020 Stand-by Compensation	750.00	625.00	3,090.00	3,125.00
5022 Training/Certification	0.00	200.00	115.00	1,000.00
5025 Water Treatment/Analysis	1,940.61	1,833.33	6,168.15	9,166.65
5030 Maintenance Contractors	5,887.14	10,500.00	37,930.44	52,500.00
5034 Equipment Maintenance	0.00	500.00	1,375.88	2,500.00
5035 Vehicle Maintenance	0.00	300.00	767.38	1,500.00
5036 Fuel - All Equipment	561.68	1,000.00	2,683.64	5,000.00
5045 Insurance-Workers Compensation	0.00	0.00	(6,252.00)	3,000.00
5046 Insurance-Liability	1,359.75	1,250.00	3,053.74	6,250.00
5048 Insurance-Property	169.00	208.33	436.22	1,041.65
5049 Insurance-Medical	3,158.13	3,166.67	15,790.65	15,833.35
6000 Engineering Services	6,684.27	2,000.00	7,584.27	10,000.00
6005 Watermaster	901.33	1,000.00	4,506.65	5,000.00
6015 Administrative Salary	10,004.40	10,609.64	50,022.00	51,232.48
6017 Administrative Travel	467.50	416.67	1,250.78	2,083.35
6020 BofD Compensation	500.00	500.00	3,400.00	2,800.00
6021 Administrative & Board Expense	0.00	208.33	754.00	1,041.65
6022 BofD-Election	0.00	0.00	32.96	0.00
6024 Customer/Public Info. Prog.	0.00	333.33	265.26	1,666.65
6025 PERS - KID	909.49	1,228.00	4,589.04	6,004.00
6030 Social Security - KID	2,092.26	2,300.00	10,600.28	11,300.00
6035 Office Supplies	92.90	750.00	2,958.71	3,750.00
6036 Postage/Delivery	260.18	500.00	1,642.25	2,500.00
6040 Professional Dues	828.75	416.67	2,228.75	2,083.35
6045 Legal Services	0.00	1,250.00	1,645.64	6,250.00
6050 Telephone	369.13	500.00	1,892.29	2,500.00
6051 Mobile Telephone	204.70	200.00	731.64	1,000.00
6052 Pagers	18.93	166.67	94.65	833.35
6053 Internet Service	64.94	83.33	319.75	416.65
6059 Computer/Software Maintenance	0.00	833.33	3,062.31	4,166.65
6061 Office Equipment Maintenance	0.00	83.33	0.00	416.65
6065 Accounting	6,200.00	0.00	6,200.00	6,000.00
6070 Office Labor	3,638.88	4,000.00	18,540.96	20,000.00
6075 Outside Services	671.64	1,666.67	4,243.25	8,333.35
6080 Operational Fees	562.17	0.00	2,810.85	0.00
6081 Permits/Fees	0.00	208.33	575.00	1,041.65
6120 Bank Service Charges	245.31	250.00	1,369.74	1,250.00
<b>Total Expenses</b>	<b>75,751.44</b>	<b>73,587.63</b>	<b>308,877.39</b>	<b>361,586.43</b>
<b>Net Income</b>	<b>35,801.07</b>	<b>35,412.37</b>	<b>107,724.26</b>	<b>36,213.57</b>

**Kinneloa Irrigation District**  
**Income Statement**  
**For the Five Months Ending May 31, 2010**

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
<b>Other Expenditures</b>				
1504 Water Mains	0.00	3,750.00	0.00	18,750.00
1509 Wilcox Well/Wilcox Booster	0.00	0.00	15,974.12	15,000.00
1511 Water Treatment Plant	0.00	450.00	0.00	2,250.00
1512 Trans. & Dist. Plant Meters	3,143.78	0.00	28,308.13	21,000.00
1513 Electrical/Electronic Equip.	0.00	4,166.67	2,517.80	20,833.35
1514 Computer/Office Equipment	0.00	416.67	7,500.00	2,083.35
1515 Vehicles & Portable Equipment	0.00	5,183.33	0.00	25,916.65
1527 SCADA Equipment	0.00	1,250.00	1,199.13	6,250.00
1530 Tools	0.00	0.00	958.99	0.00
<b>Total Other Expenditures</b>	<b>3,143.78</b>	<b>15,216.67</b>	<b>56,458.17</b>	<b>112,083.35</b>
<b>Total Increase or (Drawdown)</b>	<b>\$ 32,657.29</b>	<b>\$ 20,195.70</b>	<b>\$ 51,266.09</b>	<b>\$ (75,869.78)</b>

**Kinneloa Irrigation District**  
**Balance Sheet**  
**May 31, 2010**

**ASSETS**

**Current Assets**

1010	Checking-Wells Fargo Bank	\$	190,345.40
1012	Reserve Fund-LAIF		235,889.41
1014	Reserve Fund-CalTRUST		251,553.77
1015	Accrued Interest - CalTRUST		1,045.36
1016	Accrued Interest - LAIF		262.28
1100	Accts. Receivable-Water Sales		64,103.59
1101	Accts. Receiv.-Service Charges		28,836.80
1190	Allowance for Bad Debts		(9,088.93)
1200	Inventory		20,000.00
1340	Accrued Water Sales		111,288.47
1350	Prepaid Insurance		11,393.20
1360	Prepaid Expenses		15,832.82

Total Current Assets

921,462.17

**Property and Equipment**

1501	Water Rights		52,060.41
1503	Land Sites		96,700.08
1504	Water Mains		1,647,012.03
1505	Water Tunnels		705,985.75
1506	K-3 Well		70,233.86
1507	Improvement District #1		602,778.12
1508	Mountain Property		6,620.00
1509	Wilcox Well/Wilcox Booster		87,286.82
1510	Interconnections		14,203.27
1511	Water Treatment Plant		172,044.97
1512	Trans. & Dist. Plant Meters		88,978.60
1513	Electrical/Electronic Equip.		200,660.53
1514	Computer/Office Equipment		42,261.42
1515	Vehicles & Portable Equipment		180,552.49
1516	Water Company Facilities		60,079.20
1517	KID Office		51,362.92
1518	Shaw Ranch		280,789.92
1519	Dove Creek Project		487,383.87
1521	Kinneloa Ridge Project		690,492.58
1522	Eucalyptus Booster Station		471,817.81
1526	Vosburg Booster		12,590.00
1527	SCADA Equipment		175,600.36
1528	Tanks and Reservoirs		97,944.39
1529	Holly Tanks		181,113.76
1530	Tools		958.99
1600	Accum. Depreciation		(2,444,905.00)

Total Property and Equipment

4,032,607.15

Total Assets

\$ 4,954,069.32

**Kinneloa Irrigation District**  
**Balance Sheet**  
**May 31, 2010**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 23,884.24	
2271	Deposits-Construction Meters	1,650.00	
2273	Job Deposits-Doyne Rd.	16,898.87	
2290	Accrued Vacation	14,349.70	
	Total Current Liabilities		56,782.81

**Long-Term Liabilities**

2400	Truck Loan Payable	70,907.81	
	Total Long-Term Liabilities		70,907.81
	Total Liabilities		127,690.62

**Capital**

3040	Fund Balance	4,718,654.44	
	Net Income	107,724.26	
	Total Capital		4,826,378.70
	Total Liabilities & Capital		\$ 4,954,069.32

## Aged Receivables Report -- Previous 12 Months

ACCOUNTING PERIOD	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL BALANCE	LATE PAYMENT CHARGES
JUNE 2009	\$53,661 248	\$14,800 64	\$1,797 19	\$1,646 9	\$71,904	\$563.19 34 Accts.
JULY 2009	\$25,758 149	\$12,413 69	\$2,729 25	\$2,236 19	\$43,136	\$620.01 36 Accts.
AUGUST 2009	\$63,851 248	\$9,571 70	\$2,324 20	\$1,931 11	\$77,677	\$557.13 33 Accts.
SEPTEMBER 2009	\$29,107 259	\$15,194 74	\$2,647 20	\$1,570 8	\$48,518	\$680.85 40 Accts.
OCTOBER 2009	\$38,273 251	\$12,885 77	\$2,304 19	\$3,119 9	\$56,581	\$470.00 27 Accts.
NOVEMBER 2009	\$67,749 405	\$9,659 83	\$1,950 12	\$1,632 8	\$80,990	\$568.31 33 Accts.
DECEMBER 2009	\$43,397 322	\$6,175 55	\$3,964 32	\$2,222 12	\$55,758	\$695.19 40 Accts.
JANUARY 2010	\$38,196 329	\$2,721 57	\$213 15	\$2,139 14	\$43,268	\$440.86 26 Accts.
FEBRUARY 2010	\$27,015 360	\$8,461 140	\$1,207 35	\$1,636 14	\$38,320	\$767.92 46 Accts.
MARCH 2010	\$22,986 259	\$4,532 120	\$6,680 79	\$2,894 13	\$37,093	\$695.72 43 Accts.
APRIL 2010	\$34,652 312	\$2,631 122	\$1,469 49	\$4,848 19	\$43,599	\$433.27 26 Accts.
MAY 2010	\$58,922 355	\$1,870 56	\$1,432 28	\$1,621 17	\$63,845	\$432.87 26 Accts.

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the five Months Ended May 31, 2010**

	Current Month	Year to Date
<b>Cash Flows from operating activities</b>		
Net Income	\$ 35,801.07	\$ 107,724.26
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(20,504.30)	(9,346.09)
1101 Accts. Receiv.-Service Charges	350.00	(389.33)
1350 Prepaid Insurance	1,528.75	5,688.75
1360 Prepaid Expenses	1,230.08	(6,009.60)
2000 Accounts Payable	13,184.76	6,967.18
2271 Deposits-Construction Meters	0.00	(50.00)
2272 Job Deposits	0.00	(1,300.00)
2273 Job Deposits-Doyne Rd.	0.00	(2,198.25)
	(4,210.71)	(6,637.34)
<b>Net Cash provided by Operations</b>	<b>31,590.36</b>	<b>101,086.92</b>
 <b>Cash Flows from investing activities</b>		
<i>Used For</i>		
1509 Wilcox Well/Wilcox Booster	0.00	(15,974.12)
1512 Trans. & Dist. Plant Meters	(3,680.46)	(30,672.53)
1513 Electrical/Electronic Equip.	0.00	(2,517.80)
1514 Computer/Office Equipment	0.00	(7,500.00)
1527 SCADA Equipment	0.00	(1,199.13)
1530 Tools	0.00	(958.99)
	(3,680.46)	(58,822.57)
Net cash used in investing	(3,680.46)	(58,822.57)
 <b>Cash Flows from financing activities</b>		
<i>Proceeds From</i>		
<i>Used For</i>		
	0.00	0.00
Net cash used in financing	0.00	0.00
<b>Net increase (decrease) in cash</b>	<b>\$ 27,909.90</b>	<b>\$ 42,264.35</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 790,384.69	\$ 790,384.69
Cash Balance at Beg. of Period	(761,938.11)	(745,755.94)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 28,446.58</b>	<b>\$ 44,628.75</b>

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period From May 1, 2010 to May 31, 2010**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
5/11/10	6266	Ameripride Uniform Service	68.48	shop rag service
5/11/10	6267	Athens Services	129.38	trash pickup
5/11/10	6269	CLA-VAL	1,837.19	valve maintenance
5/11/10	6270	Cook Paging, Inc.	18.93	paggers
5/11/10	6271	Egan & Egan	6,200.00	audit
5/11/10	6272	Foothill Municipal Water Distric	562.17	capital improvement fee
5/11/10	6273	McMaster Carr	288.25	maintenance supplies
5/11/10	6274	Measurement Control Systems, l	2,956.10	meter registers
5/11/10	6275	MWH Laboratories	105.60	water analysis
5/11/10	6276	Red Supply	532.63	maintenance supplies
5/11/10	6277	SA Associates	6,684.27	Kinneloa Mesa as-builts and system map updates
5/11/10	6278	Underground Service Alert	3.00	dig alerts
5/11/10	6279	Utility Service Co., Inc.	5,455.29	tank maintenance
5/11/10	EFT797	Arco Gaspro Plus	561.68	truck gas
5/11/10	EFT798	Bank of America Business Card	566.37	see attached schedule
5/11/10	EFT799	Charter Communications	59.99	Internet service
5/11/10	EFT800	Pasadena Municipal Services	1,044.05	Wilcox Well power
5/11/10	EFT801	Calif. Public Employees Retiren	2,280.19	KID and employee PERS contributions
5/11/10	EFT802	Southern California Edison Co.	5,589.29	electrical power
5/18/10	EFT803	Christopher A. Burt	2,003.09	salary
5/18/10	EFT804	Shirley L. Burt	1,297.10	salary
5/18/10	EFT805	Melvin L. Matthews	3,219.51	salary
5/18/10	64384231	Brian L. Fry	1,434.59	salary
5/18/10	64384232	Felix Galindo	412.03	salary
5/18/10	64384233	Chris J. Mellinger	404.86	salary
5/18/10	EFT806	ADP	77.29	payroll processing
5/18/10	EFT807	Christopher A. Burt	150.00	salary
5/18/10	EFT808	ADP	4,151.62	payroll withholding/taxes
5/24/10	EFT808a	Earthlink Network	4.95	Internet service
5/31/10	EFT809	Richard L. Barkhurst	92.35	salary
5/31/10	EFT810	Christopher A. Burt	2,097.91	salary
5/31/10	EFT811	Shirley L. Burt	1,398.08	salary
5/31/10	EFT812	Francis J. Griffith	92.35	salary
5/31/10	EFT813	Gerrie G. Kilburn	92.35	salary
5/31/10	EFT814	Melvin L. Matthews	3,219.52	salary
5/31/10	EFT815	Maurice A. Pickard	92.35	salary
5/31/10	EFT816	Steven G. Sorell	57.35	salary
5/31/10	64403226	Brian L. Fry	1,763.34	salary
5/31/10	64403227	Felix Galindo	399.54	salary
5/31/10	64403228	Chris J. Mellinger	404.85	salary
5/31/10	EFT817	ADP	86.97	payroll processing
5/31/10	EFT818	Christopher A. Burt	150.00	salary
5/31/10	EFT819	ADP	4,711.46	payroll withholding/taxes
	<b>Total</b>		<b><u>62,756.32</u></b>	

**CREDIT CARD CHARGES  
APRIL 2010**

Category	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
Maint. Supply			\$123.16	\$189.61		\$312.77
Maint. Tools						\$0.00
Maint. Exp.						\$0.00
Postage	\$2.10		\$39.49			\$41.59
Computer Supplies						\$0.00
Computer Program						\$0.00
Scada						\$0.00
Kinn. Mesa Pipeline						\$0.00
Emp. Cert.						\$0.00
Truck Exp.						\$0.00
Truck Fuel						\$0.00
Generator/Pump Fuel						\$0.00
Office Supplies	\$92.90					\$92.90
Safety						\$0.00
Water Quality						\$0.00
Adm. Exp.						\$0.00
Doyne Road Project						\$0.00
Telephone			\$119.11			\$119.11
Office equip.						\$0.00
Finance Chg.						\$0.00
Finance Credit						\$0.00
<b>TOTAL</b>	\$95.00	\$0.00	\$281.76	\$189.61	\$0.00	<b>\$566.37</b>